

**MINUTES OF THE  
HEALTH SYSTEM REFORM TASK FORCE**

Wednesday, November 16, 2011 – 2:00 p.m. – Room 450 State Capitol

**Members Present:**

Sen. Wayne L. Niederhauser, Senate Chair  
Rep. James A. Dunnigan, House Chair  
Sen. Gene Davis  
Rep. Rebecca Chavez-Houck  
Rep. Brian Doughty  
Rep. Ronda Rudd Menlove  
Rep. Merlynn T. Newbold  
Rep. Dean Sanpei

**Members Absent:**

Sen. Peter C. Knudson  
Rep. Francis D. Gibson

**Staff Present:**

Mr. Mark D. Andrews, Policy Analyst  
Ms. Catherine J. Dupont, Associate General Counsel  
Ms. Wendy Bangerter, Legislative Secretary  
Ms. Lori Rammell, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Task Force Business**

Chair Dunnigan called the meeting to order at 2:22 p.m.

**MOTION:** Sen. Davis moved to approve the minutes of the October 16, 2011 meeting. The motion passed unanimously.

Chair Dunnigan reported a group of Utah legislators met November 1, 2011, with Utah's congressional delegation to discuss issues of interest to the state, including health care. He said state flexibility and state self-determination were two primary concerns discussed.

Mr. Andrews distributed the documents "The State of Utah's Comments on Proposed Federal Rules Relating to the Implementation of Exchanges Under the Affordable Care Act," prepared by the Governor's Office, and "NCSL Comments: Patient Protection and Affordable Care Act, Establishment of Exchanges and Qualified Health Plans, CMS-9989-P," prepared by the National Conference of State Legislatures. Mr. Andrews said Task Force members are invited to participate in listening sessions to be held November 18 and 21, 2011, by the U.S. Department of Health and Human Services to get input on implementation of the federal Patient Protection and Affordable Care Act.

**2. Hospital and Clinic Quality Measures**

Dr. Barry Nangle, Director, Center for Health Data, Utah Department of Health, and Dr. Doug Hasbrouck, Executive Director, HealthInsight, reported on the implementation of 2011 General Session H.B. 128, "Health Reform Amendments," which requires the Utah Department of Health, beginning July 1, 2012, to publish, in addition to existing reports on health care facility charges, quality, and safety, measures that compare the quality of care across hospitals and clinics (see slide presentation "Statewide Measures of Commercial Health Care Quality").

Dr. Nangle reported that the health department's All Payer Claims Database (APCD) will be used to produce the new measures. He said the APCD includes 93 percent of claims in the commercially insured market, but does not include Medicaid claims (it will include past claims at the beginning of the year and other claims in six months) or Medicare claims. He reported that of the 19 insurance carriers participating in the APCD, eight are supplying all of the requested data. Chair Dunnigan asked Dr. Nangle to report to the Task Force's staff the names of the other 11 carriers.

Dr. Hasbrouck said three of the first five new measures to be reported relate to diabetes: blood sugar screening, cholesterol screening, and kidney function. The other two relate to breast cancer screening and well-child visits. He said it may be possible to use the APCD to produce 10 to 20 of the new measures required by H.B. 128.

### **3. High Deductible Health Plan/Health Savings Account Enrollment**

Mr. R. Chet Loftis, Director, Public Employees Health Program (PEHP), gave the slide presentation, "State Employee Adoption of HSAs." He reported state employee enrollment in health savings accounts has increased from 70 in fiscal year 2009/2010 to 1,652 in fiscal year 2011/2012 (7 percent of state employees), and fiscal year 2011/2012 insureds (employees plus dependents) total 5,074.

Mr. Loftis said he thought it would be a good idea to make the out of pocket maximums for the HSA and traditional plans the same. He said PEHP hopes to have a request for proposal completed soon for a cost estimating tool that will allow members to compare traditional and HSA plans over more than a single year. He indicated it would be good to look at whether coinsurance requirements across traditional and HSA plans should be standardized. Traditional plans require 10 percent coinsurance. HSA plans require 20 percent coinsurance.

Rep. Dunnigan said he thought it would be helpful if PEHP's video prepared for state employees were changed to show how per-person and per-family out of pocket maximums differ between HSA and traditional plans.

Mr. Loftis said he would provide the Task Force with data on the age of PEHP subscribers (as opposed to all enrollees) in traditional and HSA plans, if possible.

### **4. Merging High-risk Insurance Pools With the Individual Market**

Ms. Tomi Ossana, Executive Director, HIPUtah, briefed the Task Force on issues related to transitioning enrollees from the HIPUtah and Federal HIPUtah high-risk insurance pools to the commercial insurance market when the federal Patient Protection and Affordable Care Act requires all individuals to have health care coverage beginning in 2014. She reported total operating losses in the two pools are projected to exceed \$79 million in 2014, while current revenues in the individual market total \$260 million.

Ms. Ossana said it is clear that in 2014, Federal HIPUtah enrollees will have to be transitioned into the Affordable Care Act health insurance exchange, but it is not clear what should happen to HIPUtah enrollees—the Act does not require elimination of HIPUtah. She said the HIPUtah board thinks it prudent to consider extending HIPUtah past January 1, 2014, and has begun projecting costs through the end of 2014. She indicated HIPUtah may need to be converted into a reinsurance entity.

Ms. Osana indicated the HIPUtah Board has discussed whether HIPUtah could be used to test the application of accountable care organization principles.

### **5. Health Exchange Benefits**

Ms. Jennifer Stoll, Director, State Government Affairs, Allergan, distributed "Utah Obesity Fact Sheet" and discussed information in a slide presentation, "The Rationale Behind the Need for Obesity Intervention."

Ms. Jana Van Paris, Managed Markets Obesity Specialist, Allergan, continuing with the slide presentation, said Type 2 diabetes is an obesity comorbidity that can be reduced with bariatric surgery. She said bariatric surgery costs \$18,000 to \$20,000 (national figure) and, for patients with Type 2 diabetes, produces a full return on investment in 25 months.

Dr. Mark Taylor, President, Utah Optometric Association, distributed a brochure, "Doctors on the Frontline of Eye and Vision Care," and addressed the importance of vision screenings. He cited examples of early vision care aiding in the diagnosis of other health issues, including diabetes.

Ms. Amy Oliver, President, Intermountain PKU and Allied Disorders Association, presented "Medical Foods Treatment for PKU and Inborn Errors of Metabolism." She pointed out that Utah currently has a mandate that requires coverage for Phenylketonuria (PKU) and the expenses associated with its treatment, and she requested the mandate be continued.

Chair Dunnigan reviewed the Preliminary Annual Report of the Health System Reform Task Force, distributed at the meeting and addressed to the chairs of the Business and Labor Interim Committee. He encouraged Task Force members to read the report, paying particular attention to information on page three regarding state mandates and how they relate to the essential benefits package.

## **6. Retainer-based Health Care**

Dr. Michael S. Jennings, Personal Family Physicians, distributed "Utah Insurance Code," a document with Utah Code Section 31A-4-106. He explained his retainer-based model of health care, which provides health care to those who are self employed and do not have health care or who prefer to carry only a catastrophic plan and rely on direct payment to physicians. He requested the creation of an exclusion to Section 31A-4-106 that would allow for the practice of retainer-based primary care.

Ms. Tanji Northrup, Assistant Commissioner, Utah Insurance Department, explained how Utah Code Section 31A-4-106 prohibits retainer-based practice in certain cases. While allowing Dr. Jennings to treat patients directly, it prohibits him from transferring patient risk to another provider, including an outside lab.

Ms. Michelle McOmber, Utah Medical Association, spoke in favor of drafting language allowing the practice of retainer-based care. She said direct contracting between physicians and patients may also help control medical expenses.

Mr. George Wilkinson, a patient of Dr. Jennings, spoke in favor of Dr. Jennings' medical program.

## **7. Adjourn**

**MOTION:** Sen. Davis moved to adjourn the meeting. The motion passed unanimously.  
Chair Niederhauser was absent for the vote.

Chair Dunnigan adjourned the meeting at 5:14 p.m.